

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2155 - SB 2078

March 20, 2018

SUMMARY OF BILL: Requires local education agencies (LEAs) partnering with an institution of higher education to provide early postsecondary credit courses to first offer the partnership opportunity to a state community college or a Tennessee college of applied technology (TCAT), as listed in § 49-8-101(3)(A), serving the county in which the LEA is located. Exempts existing agreements between LEAs and institutions of higher education in effect before July 1, 2018.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$191,200/Tennessee Colleges of Applied Technology and Community Colleges

Decrease State Revenue – Exceeds \$191,200/Higher Education Institutions

Increase State Expenditures – Exceeds \$56,000/Tennessee Colleges of Applied Technology and Community Colleges

Decrease State Expenditures – Exceeds \$56,000/Higher Education Institutions

Assumptions:

- Under this legislation, LEAs forming partnerships for dual enrollment courses and other early postsecondary opportunities will have to first offer these opportunities to TCATs and community colleges.
- Existing agreements with universities are exempt.
- Based on information provided by Middle Tennessee State University (MTSU) as well as other state universities, there will be at least 21 new course offerings for dual enrollment pending approval.
- It is assumed all of these new offerings will be approved and agreements will be formed with LEAs for dual enrollment pursuant to current law.
- In the absence of this legislation, other universities will form new partnerships with LEAs for additional early postsecondary opportunities.
- TCATs and community colleges will be able to offer new early postsecondary courses which, in absence of this legislation, may have been offered through universities.

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- In spring 2018, average enrollment in dual enrollment offerings was 18 per course; therefore, a similar enrollment level per course is assumed.
- Based on the extent of new offerings being implemented by MTSU, it is assumed that TCATs and community colleges will create and offer at least 21 new course offerings in any given year as a result of this legislation.
- It is assumed there will be at least twenty three hour courses offered and at least one four hour course offered.
- The cost for a three hour dual enrollment course is \$498 and the cost for a four hour dual enrollment course is \$664.
- The total enrollment in these new course offerings at TCATs and community colleges are estimated to exceed 378 (18 students per course x 21 minimum courses).
- Of the minimum 378 students that will take a new course offering at either a TCAT or a community college as a result of this legislation, at least 360 students will take three hour courses and at least 18 students will take a four hour course.
- This will result in a recurring shift in revenue exceeding \$191,232 $[(360 \times \$498) + (18 \times \$664)]$ from higher education universities to TCATs and community colleges.
- Costs related to instructions of these courses will exceed \$56,000 in FY18-19 and subsequent years; therefore, there will be a recurring shift in state expenditures from higher education universities to TCATs and community colleges exceeding \$56,000 in FY18-19 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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